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Aide Says Labor Got Marshall Plan Money

By William J. Eaton/
 Of Our Washington Bureau

WASHINGTON — A high AFL-CIO official says American labor representatives received "generous" amounts of foreign currencies from Marshall Plan sources in the early 1950s and helped spare Western Europe from widespread, Red-inspired labor strife.

Jay Lovestone, director of the AFL-CIO Department of International Affairs and longtime foreign policy adviser to federation President George Meany, made the statements in an interview.

Lovestone said these "counterpart funds" were obtained by U.S. labor officials from the Paris headquarters of the Economic Co-operation Administration (ECA) and spent in France, Italy and West Germany. No one, he said, could estimate how much money was received.

HE DENIED, however, the assertion by former Central Intelligence Agency executive Thomas Braden that the CIA supplied the former AFL with millions of dollars for this purpose.

In fact, the peppery Lovestone said, he told top CIA officials to "keep their fingers out of the pie" in European labor affairs and they did so.

The foreign currencies —

apparently contributed by the European countries as their share of U.S. aid — were used to upset Communist efforts to block unloading of Marshall Plan supplies in French ports.

This involved the hiring of waterfront toughs to compete with Communist gangs trying to disrupt the receipt of U.S. shipments in France, Lovestone said.

IRVING BROWN, who was then head of the AFL's office in Europe at the time, undoubtedly got counterpart funds for such work, Lovestone said.

This money also was used to assist the Force Ouvriers (FO) — an anti-Communist labor group in France — and similar union organizations in Italy and Germany, he added.

"Let me tell you, counterpart funds were spent generously," Lovestone recalled.

"If it hadn't been for the AFL, then you would have lost Europe. We did it with courage — not cash," he said.

"If it hadn't been for us, the Commies would have complete control of the French and Italian trade unions and could have paralyzed their economies.

"Economic instability — that's sauce for the Communist goose — and that leads to political instability — sauce for

the Communist gander. You know the egg they lay — it's a rotten one and I don't build bridges to rotten eggs."

LOVESTONE, a quick-moving man with white hair and piercing blue eyes, once headed the American Communist Party but has become one of the most militant anti-Communists in the labor movement.

He has contributed anti-Soviet resolutions to AFL-CIO platforms and is credited with far-reaching influence over State Department policies in labor issues.

Eyes downcast, he said: "I never had any dealings with Braden. Nobody in the AFL-CIO took any money from Braden."

Later, more spirited, he added: "I think Braden is all wet. He wouldn't know the difference between a Communist union, a bona fide union and a pregnant mare."

LOVESTONE found solace in the admission by United Auto Workers' president Walter P. Reuther that the UAW transmitted \$50,000 from the CIA to German unionists.

Reuther and his brother, Victor, long have been accusing Lovestone of working with the CIA. Now, Lovestone beams: "People in glass houses shouldn't throw stones."

And he noted with a raised eyebrow that Reuther and Braden are both on the board of directors of the Carnegie Foundation.

LOVESTONE is more worried, however, about what he calls the "grave danger" of a Communist takeover of French labor unions. He said the Communists in France have a paramilitary organization with a strength of 68,000 and French government officials are not taking adequate precaution.

As the interview ended, Lovestone gave another rebuttal to Braden's charges: "If I were in charge of the CIA, we wouldn't have all these disclosures."